

Virginia Security for Public Deposits Act Regulations
Annual Audit Certification

- Period to be covered: The 12 months preceding the end of the depository's fiscal year.
For example, if December 31, 1997 was the close of a fiscal year, the certification must cover January 1, 1997 through December 31, 1997.
- Due Date: Due 10 business days after June 30th of the year immediately following the close of the fiscal year for the institution. For example, December 31, 1997 fiscal year close, due date of July 15, 1998.
- Who must certify: A public depository's independent CPA or internal audit department

In order to comply with the regulations, the agreed upon procedures should include but are not limited to the following:

Public Deposit Balances:

1. For all monthly reports and quarterly reports, verify the mathematical accuracy of the presented calculations.
2. Review and test the procedures for compiling the report from the internal financial records.
3. For the calculation of the average balance, ascertain the reasonableness of the methodology used.
4. Review all new Virginia accounts to determine whether the accounts are correctly included or excluded as public deposits. If the population of Virginia accounts is large (i.e. more than 30) select a representative sample for review.
5. Ensure that FDIC amounts are applied correctly especially when an entity has more than one account with your institution.

Other:

6. Review the signed Security for Public Deposit Agreement to ensure that all information is current and accurate.
7. Review the par and market value of pledged collateral to ensure proper application of the 80% calculation for all pooled securities.

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Reporting:

8. State period of review. "Bank's fiscal year ended _____."
9. Report should be addressed to the bank's management with Treasury Board receiving a copy.
10. Include the effect of any errors noted to include a description of the error, the dollar amount of the error and the impact on the collateral level maintained by the bank. For accounts which were incorrectly excluded from the report, include a list of the account name, account number and amount of the omission.
11. Determine and document the status of errors noted in previous audits.
12. Document in the report the Audit Standards followed in performing the above procedures.
13. Prepare an audit report to outline all procedures used and the findings related to each procedure.
Submit a copy of the audit report to:

Department of the Treasury
Attn: Dorothy French
Post Office Box 1879
Richmond, VA 23218-1879